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HOUSE RESEARCH ORGANIZATION

daily floor report

Tuesday, May 19, 2015
84th Legislature, Number 73
The House convenes at 10 a.m.

Seven bills are on the daily calendar for second-reading consideration today. They are listed on the following page.

The House will consider a Local, Consent, and Resolutions Calendar.



Alma Allen
Chairman
84(R) - 73

HOUSE RESEARCH ORGANIZATION

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Tuesday, May 19, 2015

84th Legislature, Number 73

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SUBJECT: Abolishing TCPPD, transferring its functions to TWC

COMMITTEE: Human Services — committee substitute recommended

VOTE: 6 ayes — Raymond, Rose, Keough, Naishtat, Peña, Price

2 nays — S. King, Spitzer

1 absent — Klick

SENATE VOTE: On final passage, April 15 — 31-0

WITNESSES: (*On House companion bill, HB 1989*)

For — Chris Botello, Texas Advocates; (*Registered, but did not testify*: Shaun Bickley, Imagine Enterprises; Kendra Kerbow, Texas Advocates; Ginger Mayeaux, The Arc of Texas)

Against — Platt Allen, III, Lighthouse For The Blind of Fort Worth; John Luna, Texas Council on Purchasing from People with Disabilities, John Moore; (*Registered, but did not testify*: Deborah Cameron, James Cameron, and William Cameron, Reliable Facilities Service, Inc.; Vikki Kezar, Medina County Workshop, Texspice; Kimball Kuhn, Tania Kuhn, and Charles Shavers, Travis Association for the Blind; and five individuals)

On — Erick Fajardo and Ken Levine, Sunset Advisory Commission; Tanya Lavelle, Easter Seals Central Texas; (*Registered, but did not testify*: Edward Serna, Texas Workforce Commission; Robert Wood, Comptroller of Public Accounts)

BACKGROUND: The Texas Council on Purchasing from People with Disabilities (TCPPD) was established as a policy-making body to encourage employment opportunities for Texans with disabilities through the State Use Program, which requires state agencies to purchase products and services provided by people with disabilities on a non-competitive basis. This program's purpose is to enable people with disabilities to achieve maximum independence through useful and productive employment.

TCPD oversees the State Use Program and provides it with guidance and leadership by performing the following duties:

- contracting with a central nonprofit agency, currently TIBH Industries, to administer the program;
- establishing criteria for and certifying all community rehabilitation programs (CRPs) that participate in the program;
- approving products and services to be set aside for non-competitive purchase through the program; and
- determining the fair market price and added value of all products and services provided through the program.

The council has nine members. Three must be private citizens knowledgeable about the employment needs of people with disabilities and with current experience in the pricing and marketing of goods and services. One member represents a CRP, one represents a state agency that purchases from the State Use Program, and one represents people with disabilities. The remaining three members are chosen from any of these categories. Members are appointed by the governor for staggered terms of six years.

TCPD employs one staff member to provide administrative support to the council and to serve as its liaison. The comptroller provides legal and other support, including providing information about the State Use Program to state agencies' program coordinators and access to the program's products and temporary employment services through the state purchasing portal. The comptroller also compiles and posts online agency exception reports explaining procurements made outside of the program.

TCPD does not receive a state appropriation. It is funded annually by the central nonprofit agency, currently TIBH Industries, from a portion of the management fee charged to CRPs on the goods and services sold through the State Use Program. TCPD sets the management fees and reviews them annually with input from CRPs and the public. CRPs include the management fees in the price of products and services and pay the central nonprofit agency either 5 percent or 6 percent of sales revenue generated by the program.

In fiscal 2013, TCPPD spent a total of \$96,042, including \$69,434 on salaries and personnel costs, \$22,788 on travel expenses for council members, and \$3,820 on other operating expenditures. The total costs represent less than 1 percent of TIBH Industries' total revenue from management fees collected in fiscal 2013, a sum totaling \$7.5 million.

TCPPD last underwent Sunset review and was continued in 2003. The council's authorization will expire on September 1, 2015, unless it is continued.

DIGEST: CSSB 212 would abolish the Texas Council on Purchasing from People with Disabilities (TCPPD) and would transfer its functions to the Texas Workforce Commission (TWC).

Transfer of functions. All powers and duties of TCPPD, including certain reporting requirements, would be transferred to TWC. Rules, forms, policies, procedures, or decisions of TCPPD would continue in effect until superseded by an act of the commission, and the validity of an action taken by TCPPD before it was abolished would not be affected by the abolition. All money, appropriations, contracts, leases, rights, bonds, and obligations of TCPPD would be transferred to TWC, including all personal property and records in custody of TCPPD. A reference in law to TCPPD would mean TWC.

TWC would be authorized, rather than required, to select and contract with one or more central nonprofit agencies to perform specified functions related to the administration of the State Use Program. The commission's authority to administer the program would be subject to Sunset review, and this authority would expire on September 1, 2021, unless continued by the Legislature.

The comptroller no longer would be the depository for all records concerning the council's operations, as required in current law, and would not have to assign an upper-level management employee to ensure it provided the required support to TCPPD. The comptroller would cooperate with and provide necessary support to TWC in accordance with funds appropriated by the Legislature, including providing information

and resources necessary for TWC to set the fair market price of all products and services for sale through the program.

State agencies would report to the comptroller and TWC, rather than TCPD, the purchase of products and services available through the State Use Program but purchased from another business that was not a community rehabilitation program (CRP) or a central nonprofit agency. TWC would review and analyze information in these and other specified reports.

TWC advisory committee. TWC would establish an advisory committee to assist in establishing performance goals for the State Use Program and criteria for certifying a CRP for participation in the program.

The bill would specify the advisory committee's membership, including appointments and terms. The committee would have 13 members, including four representatives from CRPs that participated in the State Use Program, four representatives from organizations that advocate for persons with disabilities, one representative from a state agency that provides vocational rehabilitation services to persons with disabilities, and four persons with disabilities, of whom two would be employed by a community rehabilitation program that participates in the State Use Program. The committee would meet semiannually. The bill also would specify requirements for filling vacancies. TWC would have to appoint members to the advisory committee on or as soon as possible after September 1, 2015.

The advisory committee would be required to:

- establish specific objectives for the program;
- recommend criteria for certifying CRPs for participation in the program;
- develop performance measures that could be used by TWC to evaluate whether the program was meeting its objectives;
- consider specified factors applicable to the program in developing the performance measures; and
- provide input to TWC in adopting rules applicable to the program

relating to specified employment-first policies.

The advisory committee could request administrative support from the TWC, which the commission would be required to provide.

The advisory committee would be subject to laws on open meetings and open records (Government Code, chapters 551 and 552), as well as requirements related to administrative procedures under Government Code, ch. 2001.

It would not be subject to Government Code, ch. 2110, which governs state agency advisory committees.

Management fee rate. TWC would be required to determine the best method to structure the maximum management fee rate charged by a central nonprofit agency for its services. The bill would remove language under current law specifying that the rate must be computed as a percentage of the selling price of the product or the contract price of a service. The percentage of the management fee paid to TWC would be set by the commission in the amount necessary to reimburse the general revenue fund for direct and reasonable costs incurred by both the comptroller and TWC in administering the State Use Program, including any costs associated with providing support to the advisory committee.

Certain sections of current law related to TCPPD would be repealed, including provisions regarding council composition, standards of conduct, member training, and the council's ability to employ staff.

The bill would take effect September 1, 2015.

**SUPPORTERS
SAY:**

CSSB 212 would strengthen oversight of the State Use Program by abolishing the Texas Council on Purchasing from People with Disabilities (TCPPD) and transferring responsibility for the program to the Texas Workforce Commission (TWC). These measures would help ensure that the program could meet its mission of increasing employment and wages and improving the lives of Texans with disabilities. The bill would address issues the Sunset Advisory Commission found with the TCPPD, including:

- a lack of specific goals or performance measures for State Use Program contractors;
- a decline in the number of people with disabilities employed or moved into competitive positions through the program;
- issues with the TCPPD contracting out the performance of its core functions; and
- conflicts of interest in the pricing of products.

The bill also would address issues with the lack of competitive bidding for contracts to administer the State Use Program. The TCPPD has followed state standards for submitting a request for proposal for this contract in the past, but for several years, TIBH Industries (the central nonprofit agency) was the only respondent, which meant that the contract was not competitively bid.

The bill would address perceived conflicts of interest related to the central nonprofit agency's involvement in the pricing of goods and services in the State Use Program. It would ensure that goods and services were priced fairly by requiring the comptroller's office to provide information and resources necessary for TWC to set the fair market price of all products and services for sale. It also would remove the requirement that the fee rate charged by a central nonprofit agency for its services be a percentage of the selling price of the product or contract price of a service. This would remove a conflict of interest that exists when the central nonprofit agency helps to set the price of products and thus determines its own management fee.

The TCPPD has had several chances to address the problems identified but has not implemented Sunset recommendations and proposals brought forward by the Legislature and the State Auditor's Office to improve the commission's oversight function. The bill would move the TCPPD's oversight functions to another agency with more experience with contracting to ensure that people with disabilities continued to benefit from the State Use Program.

By creating an advisory committee made up of representatives from organizations that advocate for persons with disabilities, a state agency

that provides vocational rehabilitation, and individuals with disabilities, the bill would ensure that TWC had access to institutional knowledge about the importance of the State Use Program, as well as assistance in determining outcome measures.

OPPONENTS
SAY:

CSSB 212 could risk the success of the State Use Program by transferring its administration away from the TCPPD. The council has not had major problems and has been a successful volunteer oversight body that has many years of experience meeting the unique needs of people with disabilities in the workplace without receiving state appropriations. The TCPPD should be continued.

TWC and the comptroller's office do not have the same institutional expertise as the TCPPD in overseeing programs for people with disabilities and might not be as effective as the TCPPD in ensuring that people with disabilities had meaningful employment. When determining outcome measures, state agencies that are not familiar with people with disabilities might not understand the importance of measuring outcomes not only for people with visible disabilities but also for people with undiagnosed disabilities or mental illness. It would be unwise to significantly change the administration of a program that employs so many people with disabilities.

OTHER
OPPONENTS
SAY:

Responsibility for the State Use Program should be transferred to the comptroller's office, as recommended by the Sunset Commission, instead of being moved to TWC. The comptroller has more experience with state contracts than TWC.

NOTES:

The House companion bill, HB 1989 by Burkett, was considered in a public hearing of the Human Services Committee on April 27 and left pending.

The House committee substitute differs from the Senate's engrossed version of the bill in that CSSB 212 would transfer all powers and duties of TCPPD to TWC rather than to the Comptroller of Public Accounts, among other provisions.

SUBJECT: Specifying the commissioner of insurance's investigative authority

COMMITTEE: Insurance — favorable, without amendment

VOTE: 8 ayes — Frullo, Muñoz, G. Bonnen, Guerra, Meyer, Paul, Sheets, Vo
0 nays
1 absent — Workman

SENATE VOTE: On final passage, April 9 — 30-1 (Huffines) on local and uncontested calendar

WITNESSES: *(On House companion bill, HB 2198:)*
For — Beaman Floyd, Texas Coalition for Affordable Insurance Solutions; *(Registered, but did not testify: Jay Thompson, AFACT; Thomas Ratliff, American Insurance Association; Lee Loftis, Independent Insurance Agents of Texas; Paul Martin, National Association of Mutual Insurance Companies)*

Against — None

On — *(Registered, but did not testify: Chris Davis and Kyson Johnson, Texas Department of Insurance)*

BACKGROUND: Insurance Code, sec. 701.001(2) defines a fraudulent insurance act as a violation of the penal law that is committed or attempted in relation to the insurance business.

Sec. 701.102 gives the commissioner of insurance authority to investigate a person the commissioner believes has engaged in, is engaging in, has committed or is about to commit a fraudulent insurance act or the offense of insurance fraud under Penal Code, sec. 35.02(a). The offense is defined as a person preparing or presenting (or causing to be prepared or presented) a statement to an insurer that the person knows contains false or misleading material information with the intent to deceive the insurer.

The commissioner may conduct any investigation necessary to determine whether an act or offense occurred or to aid in enforcing laws on fraudulent insurance acts or insurance fraud.

DIGEST: HB 2198 would remove the insurance commissioner's authority to investigate a person that the commissioner believed had engaged in, was engaging in, had committed, or was about to commit the offense of insurance fraud under Penal Code, sec. 35.02(a). It would preserve the commissioner's authority to investigate a fraudulent insurance act.

The insurance commissioner could provide technical or litigation assistance to other governmental agencies in enforcing laws related to fraudulent insurance acts.

The bill would take effect September 1, 2015.

SUPPORTERS SAY: SB 782 would remove an outdated reference in the Insurance Code to the insurance commissioner's authority to investigate insurance fraud under a provision of the Penal Code that has been amended to reflect the complicated nature of modern insurance fraud. The insurance commissioner has broad authority to investigate possible instances of insurance fraud, which is necessary because many crimes have elements of fraud but fall short of that offense. The bill would clarify the insurance commissioner's broad authority by removing the reference to a specific offense under the Penal Code.

The bill also would clarify that the insurance commissioner has the authority to aid other agencies and prosecutors in investigating insurance fraud, including by providing technical or litigation assistance. Because of the complexity of insurance fraud, the insurance commissioner occasionally provides assistance to district attorneys and other state agencies.

OPPONENTS SAY: No apparent opposition.

NOTES: The House companion, HB 2198 by Smithee, was placed on the General State Calendar for second reading on May 12 but was not considered.

SUBJECT: Increasing the cap on certain grants relating to defense base closure

COMMITTEE: Defense and Veterans' Affairs — favorable, without amendment

VOTE: 6 ayes — S. King, Frank, Blanco, Farias, Schaefer, Shaheen

0 nays

1 absent — Aycock

SENATE VOTE: On final passage, March 17 — 27-3 (Burton, Huffines, V. Taylor)

WITNESSES: (*On House companion bill, HB 2728*)

For — Dan Corbin, Texas Mayors of Military Communities; (*Registered, but did not testify*: Jim Brennan, Texas Coalition of Veterans Organizations; Snapper Carr, Texas Mayors of Military Communities Coalition; Jeff Coyle, City of San Antonio; Brie Franco, City of El Paso; Shanna Igo, Texas Municipal League; Lindsay Lanagan, City of Houston; Mark Mendez, Tarrant County Commissioners Court; Seth Mitchell, Bexar County Commissioners Court; Robert Nathan, CPS Energy; TJ Patterson, City of Fort Worth; Chris Shields, Port San Antonio; Jason Smith, Abilene Chamber of Commerce; Tom Tagliabue, City of Corpus Christi)

Against — None

BACKGROUND: The Texas Defense Economic Adjustment Assistance Grant Program was created by the 75th Legislature to provide assistance to communities harmed by cuts in defense spending. The 79th Legislature amended the program to include communities positively impacted by defense spending, and the 81st Legislature amended it to include job retention (1 TAC, part 1, sec.4.30(a)).

Government Code, ch. 436, subch. E provides rules and criteria for the grant program. Grants may range in amounts from \$50,000 to \$2 million and are used for purposes such as building, or renovating facilities or purchasing equipment to train defense workers whose jobs have been

threatened.

DIGEST: SB 318 would allow a grant from the Defense Economic Adjustment Assistance grant program to a defense community to be as large as \$5 million, up from the current cap of \$2 million.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

SUPPORTERS SAY: SB 318 would improve the ability of an already effective program to sustain and develop economic activity in the state. The Defense Base Realignment and Closure Commission oversees a process that the U.S. Department of Defense uses to close defense bases or redeploy resources internally. It makes decisions based on a score that reflects the military value of a given base. These values are affected by factors such as infrastructure and available facilities. This bill would increase the funds available to communities that have been or could be affected by changes in Department of Defense spending, allowing Texas to retain more federal money for this purpose.

This bill would result in job creation, greater job retention, and a lower likelihood of defense-based communities being adversely affected by changes in federal spending. The expansions in this grant program have all been made in the interest of preventing base closures or providing critical assistance to communities in need. Providing proactive assistance decreases economic disruption, and the criteria provided in current law ensure a solid return on the state's investment.

OPPONENTS SAY: SB 318 would effectively expand a program that already has been expanded beyond its original intent to provide vital assistance to communities harmed by defense base closures. Such closures can make entire cities disappear, with millions of dollars in economic activity removed from an area overnight. The program has since been expanded to communities that are positively impacted by defense spending, providing state funds for ancillary concerns such as affordable housing and job training, which should not necessarily be government services. The Legislature should not again expand government's reach with this bill.

NOTES: The House companion bill, HB 2728 by S. King, was considered in a public hearing of the House Defense and Veterans' Affairs Committee on March 25 and left pending.

SUBJECT: Transferring residential school custodial duties to Facilities Commission

COMMITTEE: Public Education — favorable, without amendment

VOTE: 7 ayes — Aycock, Bohac, Deshotel, Farney, Huberty, K. King,
VanDeaver

0 nays

4 absent — Allen, Dutton, Galindo, González

SENATE VOTE: On final passage, April 23 — 28 - 2 (Creighton, Perry)

WITNESSES: *(on House companion bill, HB 1705)*
For — None

Against — Steve Baldwin, Texas Association of the Deaf; Donna Valverde; *(Registered, but did not testify: Benna Timperlake)*

On — Peter Maass, Texas Facilities Commission; *(Registered, but did not testify: Harvey Hilderbran and Terri Rodgers, Texas Facilities Commission)*

BACKGROUND: The 83rd Legislature in 2013 enacted SB 1457 by Duncan, which transferred responsibility for facilities maintenance at the Texas School for the Deaf and at the Texas School for the Blind and Visually Impaired to the Texas Facilities Commission (TFC). Similar provisions also were included in SB 211 by Nichols, the Sunset bill for TFC. SB 1457 exempted TFC from the duty to provide facilities management services to the two schools.

DIGEST: SB 836 would require the Texas Facilities Commission (TFC) to provide all facilities maintenance and management services at the Texas School for the Blind and Visually Impaired and at the Texas School for the Deaf. The bill would require that all remaining powers, duties, functions, programs, and activities related to maintenance of the two schools' facilities be transferred to TFC by September 1, 2015. Each school and

TFC would enter into a memorandum of understanding to establish a plan for the identification and transfer of records, personnel, property, and unspent appropriations.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

**SUPPORTERS
SAY:**

SB 836 would transfer responsibility for custodial, grounds maintenance, and security activities from the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf to the Texas Facilities Commission (TFC). This would allow TFC to develop an effective and integrated facilities management plan and help to ensure the efficient and consistent delivery of quality services.

The bill would complete the transfer of maintenance duties that began in 2013 when the Legislature became concerned that ongoing maintenance issues at the Texas School for the Deaf were not being properly addressed. Another consideration was that administrators of the two Austin residential schools should be focused on educating and overseeing the children living on their campuses and not on maintenance issues.

On September 1, 2013, TFC began to provide all maintenance services at each campus, excluding custodial, security, and ground maintenance activities. During the past year, there have been bedbug outbreaks at the School for the Deaf, and while TFC does not now handle custodial services, it is responsible for addressing the infestations. The bill would allow TFC to improve custodial practices and preempt or more quickly address future outbreaks.

TFC is aware that each campus serves a special population of students and would require employees placed on the campuses to receive sensitivity training and those placed on the School for the Deaf campus to have sign language capabilities.

**OPPONENTS
SAY:**

SB 836 would lack clear guidelines for TFC's new duties at the two residential schools. These are not the typical office buildings normally serviced by the commission, and there is no indication that TFC has the

experience to provide custodial services to ensure safe conditions for students on a round-the-clock basis.

The bill should address whether TFC employees had sufficient training to meet the facilities needs of children with visual and hearing impairments. At the School for the Deaf, custodial staff would need to be able to communicate through sign language with students about issues needing immediate attention. The bedbug issue took time to resolve but has been addressed by the school staff working closely with students.

The new TFC arrangement would cost an estimated \$1.3 million for more staff. It might be better to save the money and allow the campuses to continue their own custodial, security, and grounds-keeping services.

NOTES:

The Legislative Budget Board estimates that SB 836 would have a negative impact of \$1.3 million for fiscal 2016-17.

The House companion bill, HB 1705 by E. Rodriguez, was considered in a public hearing of the House Public Education Committee on May 5 and left pending.

SUBJECT: Creating the wine industry development advisory committee

COMMITTEE: Agriculture and Livestock — favorable, without amendment

VOTE: 4 ayes — T. King, C. Anderson, Cyrier, González

0 nays

3 absent — Rinaldi, Simpson, Springer

SENATE VOTE: On final passage, April 9 — 30-1 (Hall), on the local and uncontested calendar

WITNESSES: For — Kyle Frazier, Texas Wine and Grape Growers

Against — None

On — Mary York, Texas Department of Agriculture

BACKGROUND: In 2005, the 79th Legislature enacted SB 1137 by Madla, which created the Texas Wine Industry Development Act and the wine industry development advisory committee. The committee was charged with developing a long-term vision and a marketable identity for the Texas wine industry.

The bill also established a wine industry development fund account in the state's general revenue fund to be used for research, surveys, and other projects related to developing the industry and education programs.

SB 1016 by Estes, enacted by the 81st Legislature in 2009, changed the name of the committee and its focus to include marketing.

DIGEST: SB 880 would abolish the wine industry development and marketing advisory committee and create the wine industry development advisory committee.

The new committee, in addition to assuming the duties of the former

committee, would assist and advise the commissioner in determining the best, most productive, and most efficient expenditures of the wine industry development fund. The commissioner of agriculture could appoint a person from the former committee to serve on the new committee. In making appointments to the new committee, the commissioner would select members from entities representing a cross-section of the wine industry, including:

- grape growers from various regions of Texas;
- wineries representing a variety of formats from across Texas;
- researchers or educators specializing in viticulture or enology;
- consumers not affiliated with the alcoholic beverage industry;
- the Texas Department of Agriculture; and
- the Texas Alcoholic Beverage Commission.

The committee would be required to provide the commissioner with a report by September 1 of each year containing a summary of the committee's discussions and recommendations from the preceding fiscal year, a proposed schedule and plan of action for the new fiscal year, a proposed budget and spending plan for expenditures of the fund, and other information requested by the commissioner.

By November 1 of each year, the commissioner would be required to consider the recommendations of the committee in preparing the schedule, plan of action, budget, and spending plan for the current fiscal year.

The bill would repeal Agriculture Code, sec. 50B.0015, to conform to changes made by the bill in abolishing the wine industry development and marketing advisory committee.

The bill would take effect September 1, 2015.

**SUPPORTERS
SAY:**

SB 880 would help the Texas wine industry continue to grow and expand by making changes to the wine industry development and marketing advisory committee. The wine industry benefits the Texas economy because it provides jobs and tourism opportunities, and the bill would change the committee to better reflect the current demographics of the

industry. It also would narrow the committee's focus to exclude marketing, allowing the use of more resources to develop other aspects of the industry.

**OPPONENTS
SAY:**

SB 880 would continue inappropriate governmental involvement in private business and use of government funds to support one particular industry. Private businesses should be responsible for helping themselves and not depend on government assistance.

SUBJECT: Authorizing commercial paper for cash flow to be issued and rolled over

COMMITTEE: Appropriations — favorable, without amendment

VOTE: 22 ayes — Otto, Sylvester Turner, Ashby, Bell, G. Bonnen, Burkett, Capriglione, S. Davis, Giddings, Gonzales, Howard, Hughes, Koop, Longoria, R. Miller, Phelan, Price, Raney, J. Rodriguez, Sheffield, VanDeaver, Walle

0 nays

5 absent — Dukes, Márquez, McClendon, Miles, Muñoz

SENATE VOTE: On final passage, April 14 — 31-0

WITNESSES: For — None

Against — None

On — (*Registered, but did not testify*: Piper Montemayor, Comptroller of Public Accounts)

BACKGROUND: Government Code, sec. 404.123 authorizes the comptroller to issue, sell, and deliver tax and revenue anticipation notes if the comptroller anticipates that the state will have a temporary cash shortfall in the general revenue fund. Under sec. 404.123(c), the notes are not debts of the state for the purpose of calculating state debt under the constitutional limits and can be used solely to coordinate the state's cash flow within a fiscal biennium.

The authority to issue the notes is subject to several provisions in Government Code, secs. 404.123 and 404.124. Under sec. 404.124, the state's cash management committee must approve the issuance of the notes. The committee is composed of the governor, lieutenant governor, House speaker, and comptroller.

The comptroller must submit to the committee a general revenue cash

flow shortfall forecast before issuing the notes, and the committee must hold a public hearing to receive testimony on the forecast. The committee's approval of the issuance of the notes expires on the 91st day after the initial public hearing. The comptroller can issue notes on or after the 91st day only after submitting another forecast to the committee and approval by the committee. Each subsequent approval expires on the 61st day after the hearing on which its approval was based.

DIGEST: SB 1657 would authorize the comptroller to issue commercial paper notes under Government Code, secs. 404.123 and 404.124, which currently authorize tax and revenue anticipation notes. Commercial paper notes would be subject to approval by the cash management committee.

The cash management committee's approval of the issuance of commercial paper notes would expire on the last day of the fiscal year for which tax and revenue anticipation notes were approved. Commercial paper notes could be issued and rolled over during that fiscal year. The commercial paper notes would have to mature and be paid in full during the fiscal biennium in which they were issued.

The bill would extend the current time frame in which tax anticipation notes and commercial paper notes had to be issued after the initial deadline for their issuance has expired. Instead of requiring the notes to be issued within 61 days of the public hearing on which their approval was based, the notes would have to be issued within 91 days of the hearing.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015.

SUPPORTERS SAY: SB 1067 would reinstate a cash management tool that gives the comptroller more options to handle short-term mismatches between the state's expenditure and revenue flows. Currently, the state handles these discrepancies with Tax and Revenue Anticipation Notes (TRANs) and has sometimes used commercial paper in connection with TRANs. Both of these are financial instruments that allow the state to borrow money on a short-term basis.

TRANs are used to address the cash flow problem that arises because the state makes large payments to school districts in the fall, while state revenues come in throughout the year. To handle this mismatch in funds, the state uses TRANs to borrow money and repays the money later in the biennium when revenues are collected.

However, in some situations, it could benefit the state to delay borrowing all the funds for TRANs at one time and instead borrow a portion of the amount on a short-term basis. This short-term borrowing can be achieved through commercial paper. For example, the state may be planning to borrow several billion dollars through TRANs, but if interest rate fluctuations were anticipated, the state could save money by not locking in all the debt at a single interest rate and instead attempting to get a more favorable rate on a portion of the money at a later time.

Commercial paper could be a good choice as a borrowing instrument in this situation because it can be issued for terms of one to 270 days. At the end of the term, instead of paying off commercial paper, sometimes it is rolled over into another short-term borrowing instrument. These short-term borrowing instruments can allow the state to consider changing economic and revenue fluctuations and allow for the incremental use of commercial paper as funds are needed and as they become available.

Since 1986, the issuance of commercial paper has been approved by the cash management committee 13 times, and issued five of those times. However, a 2011 change to the law governing TRANs intended to increase transparency led the attorney general to determine that the rollover of commercial paper was no longer permissible. This effectively eliminated the use of commercial paper.

The bill would address this unintended restriction on commercial paper by authorizing its use and making clear that commercial paper could be issued and rolled over within a specified time frame. The bill would establish that the approval to issue commercial paper would expire on the last day of the fiscal year for which TRANs were approved and require that rollovers occur within that fiscal year. This limit on the authorization of commercial paper would enable the issuing and rolling over of commercial paper as needed by the state but would incorporate oversight

by the cash management committee to ensure its proper use.

The bill would adjust the deadline from 61 days to 91 days for notes issued subsequent to the first issuance period to give the comptroller the necessary flexibility in issuing TRANS and commercial paper after meetings of the committee.

OPPONENTS
SAY:

No apparent opposition.

SUBJECT: Reporting emergency responder or volunteer exposure to certain diseases

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 6 ayes — Alvarado, R. Anderson, Bernal, Elkins, Schaefer, M. White

0 nays

1 absent — Hunter

SENATE VOTE: On final passage, April 23 — 30-0

WITNESSES: *(On House companion bill, HB 2770)*

For — Januari Leo, Legacy Community Health; Bryan Norris, San Antonio Professional Firefighters Association; *(Registered, but did not testify:* Randy Moreno, Austin Firefighters Association; Seth Mitchell, Bexar County Commissioners Court; Chris Jones, Combined Law Enforcement Associations of Texas; David Riggs, Garland Fire Fighters Association; Sean Dailey and Johnny Villareal, Houston Professional Firefighters Association; Aidan Alvarado, Laredo Fire Fighters Association; Will Francis, National Association of Social Workers-Texas Chapter; Chris Monestier and Carl Wedige, San Antonio Fire Department; Wayne Delanghe, San Antonio Firefighters Local 624; Margo Cardwell, State Firefighters' and Fire Marshals' Association; Donald Lee, Texas Conference of Urban Counties; Dinah Welsh, Texas EMS, Trauma and Acute Care Foundation; Glenn Deshields, Texas State Association of Fire Fighters; Conrad John, Travis County Commissioners Court; Mike Martinez; Robert Slanger)

Against — *(Registered, but did not testify:* Jon Weist, City of Irving)

On — *(Registered, but did not testify:* Marilyn Felkner, Department of State Health Services)

BACKGROUND: Health and Safety Code, ch. 81 governs communicable diseases, which includes disease reporting, disease control measures, and tests for AIDS and related disorders.

DIGEST: CSHB 2770 would require certain entities to designate an infection control officer and would make other changes related to infectious disease testing and reporting regarding emergency response employees or volunteers.

Infection control officer. The bill would require entities that use the services of an emergency response employee or volunteer to nominate a designated infection control officer and an alternate officer. The bill would define “emergency response employee or volunteer” as an individual acting in the course and scope of employment or service as a volunteer as emergency medical service personnel, a peace officer, a detention officer, a county jailer, or a firefighter.

The infection control officer would be required to:

- receive notification of a potential exposure to a reportable disease from a health care facility;
- notify the appropriate health care providers of a potential exposure to a reportable disease;
- act as a liaison between the entity’s emergency response employees or volunteers who may have been exposed to a reportable disease during the course and scope of employment or service as a volunteer and the destination hospital of the patient who was the source of the potential exposure;
- investigate and evaluate an exposure incident to assess the potential risks using current evidence-based information; and
- monitor follow-up treatment provided to the affected employees or volunteers.

The entity that employed or used the services of an emergency response employee or volunteer would be responsible for notifying local health authorities or local health care facilities about the officer’s or alternate officer’s designation.

The executive commissioner of the Health and Human Services Commission would be required by December 1, 2015, to establish by rule the qualifications for a designated infection control officer, which would

have to include that the person be trained as a health care provider or in the control of infectious and communicable diseases.

Other changes. The bill would authorize the release of medical or epidemiological information on cases of actual or suspected disease to a designated infection control officer. It also would require, at court direction, a test of an arrested person if an emergency response employee or volunteer came in contact with the arrestee's bodily fluids, and would make the results of that test available to a designated infection control officer, who would notify the emergency response employee of the test results.

The bill would require notice of a positive or negative test result for a reportable disease to be provided to an emergency response employee or volunteer and would further define under what circumstances and between whom such information about possible exposure would be shared. It also would entitle emergency response employees or volunteers to receive notice if they were exposed to any disease caused by a select agent or toxin as defined by federal law.

The bill would add HIV or any reportable disease to the list of diseases that would require a test in the event of accidental exposure experienced by a health care worker or an emergency response employee or volunteer and would add provisions related to how those test results would be communicated. The bill also would specify provisions for the testing and communication of results of a deceased person who died at the scene of an emergency or in transport to a hospital for situations in which an emergency response employee or volunteer may have been exposed.

The bill would authorize the release to the infection control officer of test results for AIDS and related disorders conducted on an emergency response employee or volunteer. A person who might have exposed any emergency response employee or volunteer to HIV could be tested without the person's consent.

The bill would require the Health and Human Services executive commissioner to review the federal Ryan White HIV/AIDS Treatment Extension Act of 2009 or any successor law and any associated

regulations and determine whether adopting by rule any part of the federal law or regulations would be in the best interest of the state to further the prevention of communicable disease. If the executive commissioner determined that adopting the federal law or regulations was in the best interest of the state, the executive commissioner would be authorized to adopt by rule all or a part of the federal law or regulations.

The bill would make conforming changes, such as replacing the terms “peace officer” and “medical technician” with emergency response employee or volunteer in relevant sections of code.

The bill would take effect September 1, 2015.

**SUPPORTERS
SAY:**

SB 1574 would provide additional protection to emergency response workers and volunteers who may be exposed to infectious diseases in the course of their work. The timeliness of testing and communication of results is critical because effective treatment is often time-sensitive. For instance, drugs administered within 72 hours after exposure to HIV can prevent infection. However, these drugs also have significant side effects and should not be administered if they are not needed. The bill would help firefighters, EMS workers, and others determine whether they needed to take such medication following a possible exposure.

Although hospitals already are required to provide reports to local entities, which can then notify potentially exposed individuals, such as firefighters, the process can take many days or even weeks, especially because local health departments usually do not operate around the clock. These delays not only affect health care for exposed employees and volunteers, but also can affect eligibility for certain benefits, such as workers’ compensation. The bill would streamline this process and enable workers and volunteers to receive necessary notifications more quickly and directly.

The bill would require the designation of an officer, rather than the creation of a position, and therefore would not add costs to the entities involved. Any additional duties could be absorbed easily by existing staff.

**OPPONENTS
SAY:**

SB 1574 is unnecessary and could open the door to new requirements that are not needed and could be burdensome. Entities employing emergency

response workers already have adequate processes in place to protect their workers and volunteers, including requirements for testing and communicating test results.

OTHER
OPPONENTS
SAY:

SB 1574 would change the definition of reportable diseases for a chapter of the Health and Safety Code, rather than only the definition for reportable diseases as it relates to notification requirements for emergency response employees and volunteers. The list of reportable diseases specific to emergency response employees and volunteers is smaller than the overall list that the Department of State Health Services maintains, so the definition for the chapter should not be limited to only those that apply to emergency response employees and volunteers.

NOTES:

The House companion bill, HB 2770 by Martinez, was placed for second-reading consideration on the May 12 General State Calendar but was not considered.

The House sponsor plans to offer a floor amendment that would define a reportable disease as a disease or condition included in the list of reportable diseases and includes one designated as reportable under Health and Safety Code, sec. 81.048, which outlines notification requirements for emergency response employees or volunteers.